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ABSTRACT

The spring 2001 issue of "The Ledger" looks at economics and sports from the bicycle boom to the failure of the Xtreme Football League (XFL) today. Articles include: "The XFL and the WWF: Win Some, Lose Some" (Robert Wedge); "Major Taylor, Colonel Pope, and the General Commotion over Bicycles" (Robert Jabaily); and "Skiing in New England: An Industry Profile" (Michael Stewart). Other materials in the issue are: "Road Test" (with answers at the back) and "Worth a Thousand Words: Color Wars." "Worth a Thousand Words" is a regular journal feature that uses archival photos and prints to focus on economic history. A resource list for the "Major Taylor" article, along with 24 endnotes, and other information conclude the spring issue. The special fall 2001 issue of "The Ledger" highlights Web sites for teachers, students, and others interested in economics. The following materials are referenced in this issue: "Caveat Emptor: Consumer Education/Financial Literacy"; "Cool Cash: Coins and Currency"; "By the Numbers: Economic Data"; "Back in the Day: Economic History"; "Spanning the Fed: Federal Reserve Resources"; "News Flash: Media Sites"; "The Big Picture: Overviews and Lesson Plans"; and "Extracurriculars: Student Competition." (BT)

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Bob Jabaily, Editor

Federal Reserve Bank of Boston, MA.

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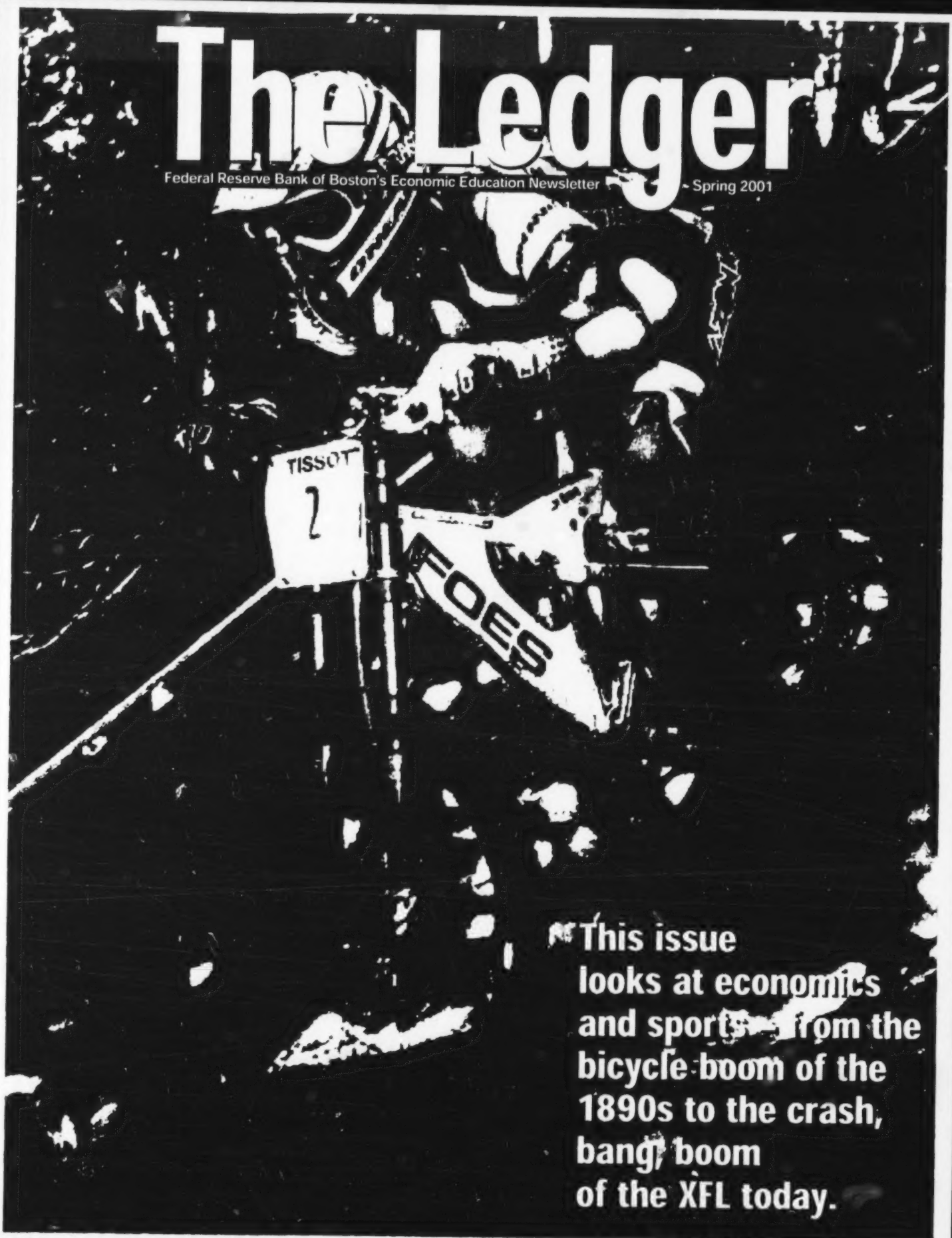
The Ledger

Federal Reserve Bank of Boston's Economic Education Newsletter ~ Spring 2001



This issue looks at economics and sports—from the bicycle boom of the 1890s to the crash, bang, boom of the XFL today.

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The Ledger

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On cover:
Mountain bike racer Missy Giove, a.k.a. "The Missile," earned well over half a million dollars a year in prizes and endorsements during the late 1990s. One hundred years earlier, the bicycle craze of the 1890s had a revolutionary impact on traditional notions of feminine behavior.

AP/Wide World Photos

ROBERT WEDGE
ECONOMIC EDUCATION SPECIALIST
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The XFL and the WWF: WIN SOME, LOSE SOME

Does the world really need another professional sports league, particularly another pro football league? World Wrestling Federation Chairman Vince McMahon, Jr., and his television partners at NBC decided that it did. Together they put up $100 million to launch the XFL.

It was a short-lived venture — 96 days, to be precise. The first XFL game was played on February 3, 2001, and the league's shutdown was announced on May 10. With many comparable features in the WWF and the XFL, what's behind the spectacular success of the WWF and, in contrast, the quick demise of the XFL?

The "X," according to XFL President Basil DeVito, didn't stand for anything but had been projected by friend and foe to stand for "Xtreme." Given the new league's emphasis on cheerleaders, celebrations, violence, and mayhem, the "X" could easily have stood for Xcess and high Xpectations.

The hype and hyperbole leading up to the XFL's inaugural weekend were vintage Vince McMahon, but the ratings for its television debut on February 3, 2001, lived up to the promotional blitz. The opening contest between the Las Vegas Outlaws and the New York/New Jersey Hitmen drew a 10.3 rating/17 share, which means approximately 11 million households and 17 percent of the televisions that were turned on in the United States between 8:00 and 11:00 p.m. were tuned to NBC and the XFL.

Things cooled off the following week. Ratings fell to 5.1, but even those numbers were still respectable (and higher than the national ratings for the NHL All-Star Game).

By the fourth week, however, ratings had declined to 2.9 with a 5 share, and doubts were beginning to set in. Could the new league succeed where so many others – the USFL, the WFL, the ABA, the WHA, the NASL – had failed? Economics and the entrepreneurial flair of its founder, Vince McMahon, Jr., argued in favor of sucess.

Love him or hate him – and most folks feel one way or the other with no middle ground – McMahon is a marketing mastermind with an impressive track record. His original venture, the colossally successful World Wrestling Federation, provided him with the money, the visibility, the courage, and a model for success in the XFL.

A BRIEF HISTORY OF THE SUCCESS OF THE WWF

Wrestling is hot, and within wrestling circles the WWF is the premier organization. It currently dominates the burgeoning sports/entertainment industry, particularly among males ages 12 to 24, and WWF Entertainment has turned this enormous popularity into dollars.

The WWF's Monday night shows on The National Network (formerly The Nashville Network) consistently pull down ratings in the 5.0 range with 8 percent of televisions tuned in, while its Thursday night "Smackdown" broadcasts on UPN regularly draw a 4.5 rating/7 share. Ultimately, solid numbers like these translate into high TV revenues for McMahon and company because advertisers are willing to pay more for commercial time during WWF programming.

The WWF product makes the old Saturday morning broadcasts from the 1960s, '70s, '80s, and early '90s seem quaint by comparison. Showmanship, state-of-the-art TV production, and savvy

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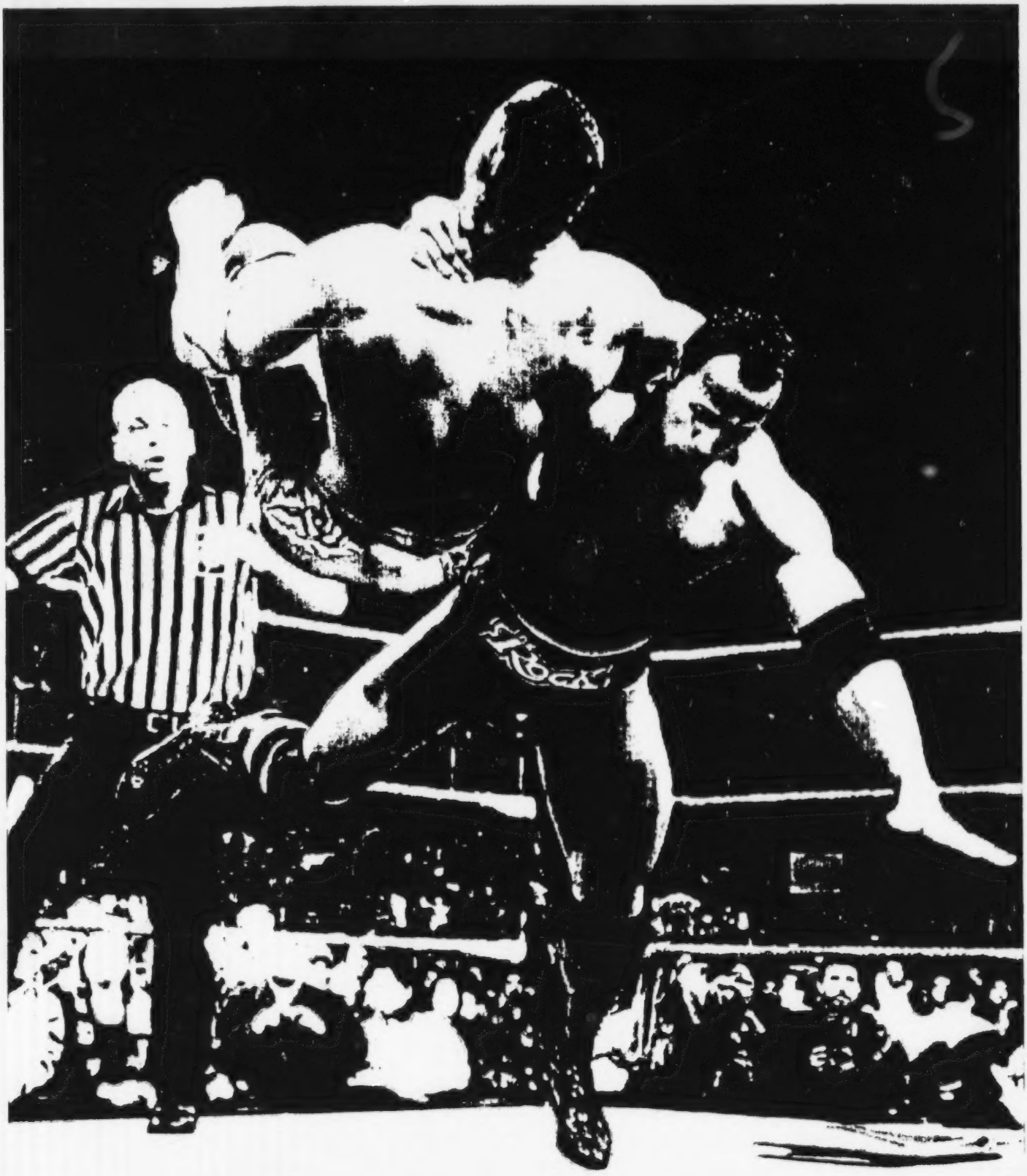

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The Rock slams Kurt Angle.

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The XFL and the WWF: Win Some, Lose Some

marketing have transformed pro wrestling into a full-blown cultural phenomenon. Names like The Rock, Stone Cold Steve Austin, The Undertaker, and Triple H permeate pop culture, and within the last year it seems that every major news publication or television program has devoted some of its resources to reporting about the WWF in some respect.

The spectacular rise of the WWF dates back to 1980, when Vince McMahon, Jr., bought the circuit from his father and began building an empire. In its earliest days, the WWF was a bare-bones financial operation, with low pay and few fringe benefits for its wrestlers. But about four years after McMahon took over the reins, the WWF made its first leap toward mainstream popularity. Characters like Hulk Hogan, Andre the Giant, and Jesse "The Body" Ventura became household names. (Ventura would later use his popularity as a springboard to the Minnesota governor's mansion.) The physical requirements and acting talent required to be a popular wrestler helped all three make the jump to Hollywood action pictures in the 1980s. Hulk Hogan showed up in *Rocky III* with Sylvester Stallone, Andre the Giant made millions laugh in *The Princess Bride*, and Jesse Ventura shot at aliens in the jungle in *Predator* with Arnold Schwarzenegger.

After this first golden age, there was a lull in enthusiasm for the spectacle of pro wrestling, but the exposure had ingrained the WWF brand name into the heads of most Americans. And around 1996, the WWF rebounded, thanks to increased television exposure, an infusion of new talent, and the heightened news coverage that resulted from explicit story lines. Most people credit the resurgence of wrestling to the shrewd management practices, creativity, and risk-taking of chairman Vince McMahon. But McMahon was not alone in making the WWF what is today. His wife Linda is the company's CEO, and she has played a crucial role in putting together the television deals that have turned the WWF into a global brand name.

Television and live shows are the backbone that allows the WWF's merchandising and licensing operations to flourish. Through the 1980s and early '90s, the WWF was mostly dependent on live shows for revenue, but then it signed a lucrative contract with the USA cable network to air WWF events several times per week. The high ratings on USA paved the way for a new, more lucrative deal with Viacom in May 2000. Viacom, parent company of The National Network and MTV, took over the Sunday and Monday night programming from the USA network. (While USA matched the wrestling portion of the deal, Viacom agreed to promote the other areas of WWF Entertainment that USA could not, including broadcasts of the XFL.)

The near constant availability of WWF programming has also increased interest in its monthly pay-per-view events, which sell for at least $30 per viewing. WWF is easily the world's largest provider of pay-per-view programming, with 6.8 million buys in 1999, and sales that were up 28 percent in 2000. From these 6.8 million buys and the retail sales that go along with pay-per-view events, WWF

minimum WAGE

Two things you didn't find in the XFL: pampered superstars and stratospheric salaries. The league's salary structure looked like a throwback to those "good old days" that everyone is always talking about.

Quarterbacks earned $50,000 for a ten-game season, kickers got $35,000, and all other players made $45,000. In addition to the base salary, players received incentive bonuses – $2500 per victory and $25,000 for being on the active roster of the team that won the league championship. It was a lot different than the NFL, where the minimum salary is $160,000, and the average is close to $1.2 million.

To understand why XFL players earned so much less than their NFL counterparts, just look at the different ownership structures of the two leagues. Each of the NFL's 34 teams is independently owned, and the teams compete against one another for the most talented free agents. By contrast, all eight XFL teams were owned by the league/Vince McMahon, so they weren't bidding against one another for players. And there was no shortage of people willing to sell their talents to the XFL. When the league held tryouts, more than 40,000 hopefuls applied for 380 openings.

Enough said?

Entertainment generated about $150 million in revenue for 1999.

In addition to interest in the pay-per-view events, the television programming generates cash for the WWF in the form of merchandising, licensing, and publishing. Everything from "Layeth the Smacketh Down" T-shirts to biographies of its wrestlers have been a source of revenue for the WWF.

Overall, the WWF generated $379 million in revenues and a profit of about $59 million for the fiscal year ending April 30, 2000. This amounted to about 94 cents per share in earnings.

Earnings per share? Yes, in October of 1999, WWF Entertainment launched an initial public offering on the Nasdaq exchange – ten million shares priced at about $17 per share – and in October 2000, its listing moved to the New York Stock Exchange. (The stock peaked at about $22 per share but has been volatile recently because of the mixed reviews and uncertainty surrounding the future of the XFL.) The McMahons retain majority control of the company, and Vince has passed much of the WWF's operations on to his children, Stephanie and Shane, and a cadre of trusted lieutenants, so that he could focus the majority of his attention on the foundering XFL.

In 2000, the WWF showed few signs of slowing down. Television ratings remained high as *Monday Night Raw Is War* remained the number one- or number two-rated show on cable television for much of the year. On top of that, merchandise sales hit an all-time high, two WWF superstars' autobiographies spent weeks in the number one slot on *The New York Times* Best Seller List, and live events continued to sell out in minutes.

PASSION AND PATIENCE

As of early 2001, the major variable in the WWF's financial future was its involvement with the XFL. Unfortunately, the clock ran out before the XFL could show enough success to justify another year. The size of McMahon's initial investment in the XFL was not the main concern. The league's $100 million startup cost pales in comparison with the dollars spent on the NFL, NBA, NHL, and MLB. The real concerns were passion and patience — or, more precisely, the lack of passion and patience.

The XFL started with three big advantages: (1) a national TV contract with NBC, (2) a salary structure that limits top players to $50,000 a year in base pay, and (3) a ready marketing arm thanks to its connection with the WWF. It also enjoyed a relatively strong base of support in its franchise cities – particularly Birmingham, Las Vegas, Memphis, Orlando, and San Francisco. But for the XFL to succeed, it needed to inspire more passion and more enthusiasm among fans outside the franchise cities. It needed to give these fans a stronger reason to sit down in front of their TV sets and really care about the outcome of the games.

"The XFL is God's way of telling America that it has too much leisure time."
-George Will, January 28, 2001

To do this takes time, patience, and some quality football. Unfortunately, the WWF, NBC, and UPN decided they couldn't wait for sufficient passion and enthusiasm to develop. The progress in the first season was not enough.

What does the future hold for WWF Entertainment? Many observers have noted that pro wrestling appears to be a cyclical business, and if its popularity dips, revenues from TV, pay-per-view, marketing, licensing, and publishing will eventually decline as well. Yet, even though the XFL has come up short, don't bet against Vince McMahon's ability to make everything turn out right for the WWF. After all, stranger things have happened – things like a guy nicknamed The Rock making it to the top of *The New York Times* Best Seller List and another guy nicknamed The Body making it to the top of Minnesota politics.

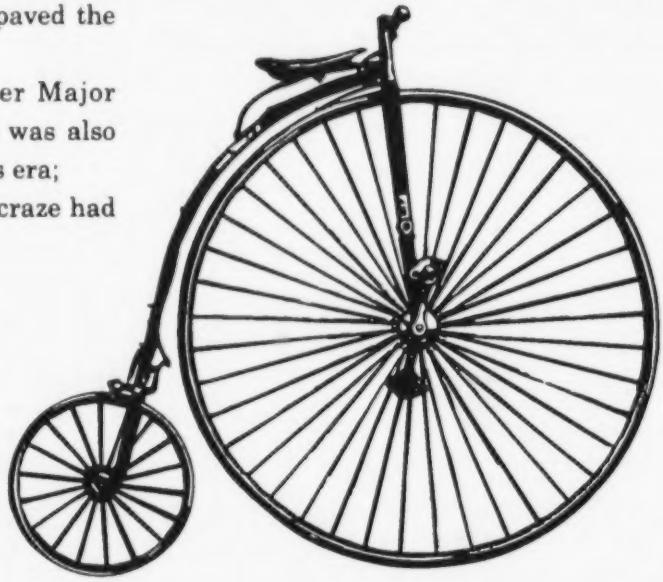
Major Taylor, Colonel Pope, AND THE GENERAL COMMOTION OVER BICYCLES

Robert Jabaily
Associate Editor, Federal Reserve Bank of Boston

During the 1890s, bicycle mania swept the industrialized world. Although the craze lasted less than a decade, it had a profound impact on everything from manufacturing techniques to gender roles.

The following collection of articles looks at:

- the life and times of Colonel Albert Pope, who brought the bicycle craze to America and ultimately paved the way for the automotive age;
- the extraordinary career of bicycle racer Major Taylor, a nineteenth century superstar, who was also one of the wealthiest African-Americans of his era;
- the economic and social impact the bicycle craze had on the lives of women.



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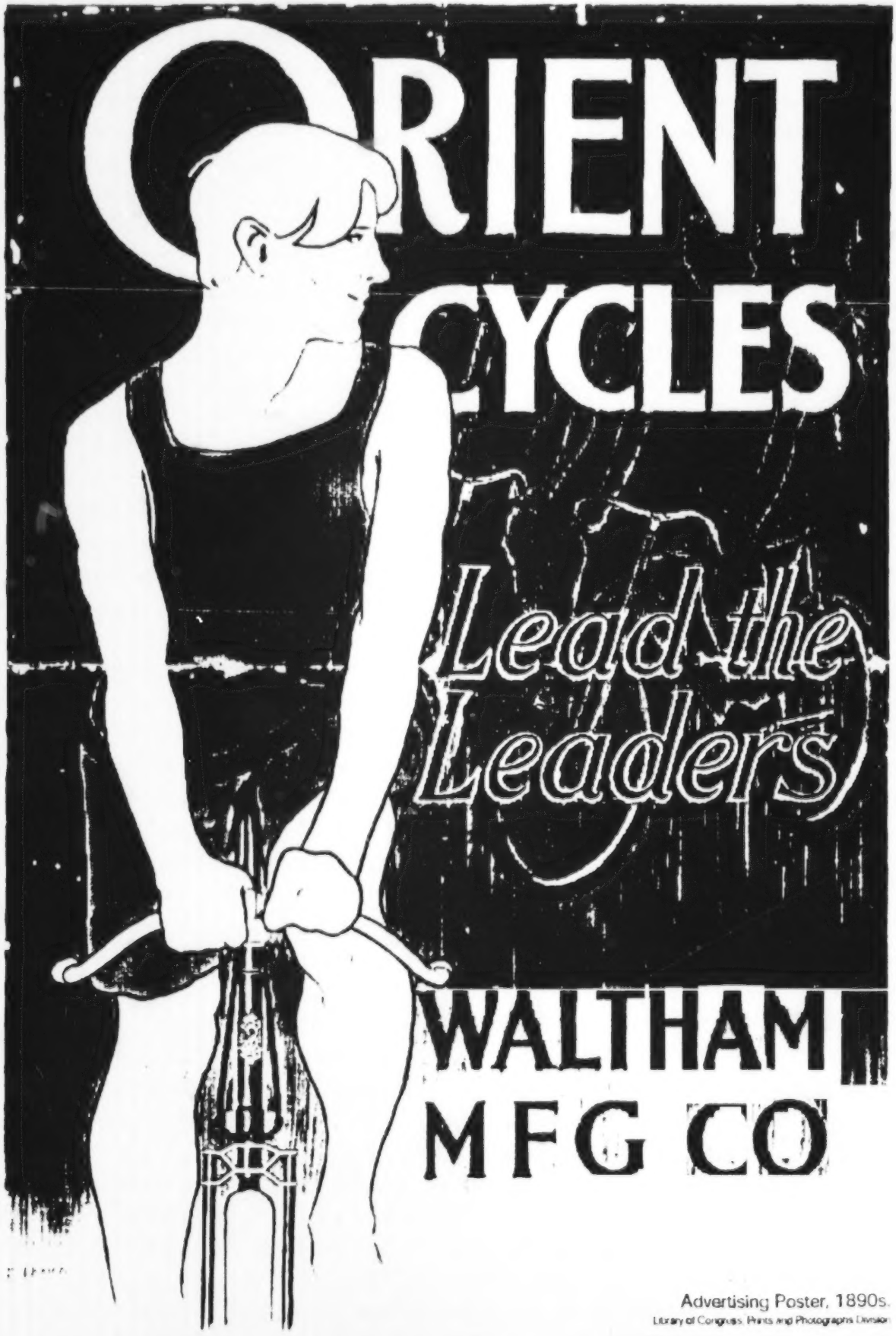
Notes, web sites, and books related to this collection of articles are found on page 19.



Advertising Poster, 1890s.
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Colonel Pope and the Bicycle Craze

Major Taylor, Colonel Pope, and the General Commotion over Bicycles

The bicycle was a marvel of the industrial age. Machinists, assemblers, and mechanics created a machine that was the culmination of nineteenth century ingenuity and technological progress.

America's fascination with the bicycle began in 1876, when Colonel Albert Pope fell head-over-heels in love with an English high-wheeler on display at the Centennial Exhibition in Philadelphia.[1] Convinced that he had glimpsed the future, Pope immediately headed across the Atlantic to tour English bicycle factories.

Upon returning to his Boston home in 1877, Pope began the transition that would take him from being a moderately prosperous merchant in the footwear industry to a spectacularly successful manufacturer of bicycles. He began by setting himself up as an importer and seller of English high-wheelers. Then, in 1878, he contracted with the Weed Sewing Machine Company of Hartford,Connecticut to produce the first American-built "Columbia" brand cycles, 60-inch high-wheelers that sold for $95 apiece.[2]

Why did Pope choose a sewing machine company in Hartford, Connecticut to build his bicycles? The answer is "guns."

"At the most basic level," writes economic historian David Hounshell, "production of the Pope Columbia bicycle was rooted firmly within the New England tradition of manufacturing firearms and sewing machines."[3]

The connection is straightforward:

• In 1794, the United States government established a national armory in Springfield, Massachusetts – approximately 25 miles north of Hartford. The armory pioneered and perfected techniques for using interchangeable parts to manufacture small arms.

• Mechanics, designers, and gunsmiths from the armory carried those techniques with them when they left to start ventures of their own or when they went to work for one of the rapidly multiplying number of private firearms manufacturers in New England's Connecticut River Valley.

• Later in the nineteenth century, sewing machine manufacturers adapted armory techniques and used interchangeable parts to cut their costs and produce lower-priced sewing machines for the mass market. Many of them set up shop in the Connecticut River Valley in order to take advantage of its manufacturing infrastructure and its pool of skilled labor.

• Pope chose a sewing machine company to build his bicycles because he was committed to the concept of using machine-made interchangeable parts. And he chose Weed Sewing Machine Company in particular because its Hartford factory had excess manufacturing capacity.

Labor-saving machinery, standardized parts, and better organization made it possible for Pope and other nineteenth century manufacturers to increase their output and achieve savings – or "economies of scale." And nineteenth century consumers almost always reaped the benefits in the form of lower prices and a wider selection of products.

Pope's experience offers some insight. His first high-wheeler was hand-built in 1877 at a cost of $313. By contrast, his first 50 production models in 1878 were built by the Weed Sewing Machine Company at a cost of $95 each. Three years later, production levels approached 50 cycles per day, and Pope's catalog featured a variety of models that started at $55 for a Youth's Mustang and went all the way up to $250 for a Triocycle.[4]

Yet, even though production techniques continued to improve, the price of a Columbia bicycle didn't drop as far as it might have because Pope was able to thwart competitors by acquiring key patents and vigorously enforcing his patent rights.[5] Anyone who wanted to manufacture or import a bicycle that used one of Pope's patents had to pay him a license fee of $10 to $25 *per bike*.[6] (As the patents began to expire during the mid 1880s, more competitors were able to enter the market.)

Colonel Pope – who had actually attained the rank of captain in the Union Army during the Civil War but later "promoted" himself to "colonel" – also had a flair for promoting his own business. Some of his more notable efforts included:

• sponsoring poster contests and funding national magazines devoted

to cycling and highway improvement;

• offering prizes to doctors who published articles touting the health benefits of cycling;

• establishing the League of American Wheelmen in 1880 to "promote the general interests of bicycling" (now known as the League of American Bicyclists);

• underwriting the legal effort to give cyclists complete access to public roads and parks (most notably New York's Central Park);

• lobbying for better roads and helping to establish a highway engineering program at the Massachusetts Institute of Technology.

SAFETY BICYCLES AND "CYCLE MANIA"

There was one obstacle that even Pope's promotional savvy could not overcome: High-wheelers were dangerous. The following excerpt from *A Quick History of Bicycles* describes the perils of balancing atop a 60-inch wheel:

Because the rider sat so high above the center of gravity, if the front wheel was stopped by a stone or rut in the road, or the sudden emergence of a dog, the entire apparatus rotated forward on its front axle, and the rider, with his legs trapped under the handlebars, was dropped unceremoniously on his head. Thus the term "taking a header" came into being.[7]

If cycling was ever going to become more than just a fad for athletic young males, someone would have to invent a bike the average person could ride without undue risk to life and limb.

Englishman J. K. Starley solved the problem in 1884 when he introduced the "safety" bicycle. Similar in design to modern bikes, safety models featured wheels of equal size – usually 26 to 30 inches – powered by a chain-drive.

In 1887, A. H. Overman began production of an American safety model in Chicopee, Massachusetts (located in the Connecticut River Valley, not far from Springfield Armory). And shortly after that, the cycling craze began in earnest.

The number of American bicycle manufacturing firms jumped from fewer than 30 in 1890 to more than 300 in 1896.[9] And approximately one-third of all patents registered in the United States during the 1890s were bicycle-related.[10]

A euphoric account in the July 20, 1895, issue of *Scientific American* reported that there seemed to be "three times as many wheelers as there were last summer," and they weren't necessarily "young fellows of sporting proclivities. . . . Very many of them are gray-haired men. Very many of them also are women, young and old." (See **Women on Wheels,** page 15.)

In 1896, at the height of the craze – and just 20 years after Albert Pope had seen his first high-wheeler at the

Something for All You Gearheads

The Pope Manufacturing Company used forged parts for its bicycles. Western Wheel Works used parts that were stamped from sheet metal. For those of you with inquiring minds, here is the difference between the two.

Forged parts were fashioned in three basic steps: (1) the rough shape was formed in a large machine tool known as a drop forge, (2) excess metal was trimmed or ground away, and (3) the part was drilled or bored so that it could accept screws, bolts, or other fittings.

Stamped and pressed metal parts were: (1) banged or punched out of flat metal sheets, (2) rolled into a tubular shape, if necessary, and (3) joined at the seam, either by brazing or electric resistance welding. There was little need for trimming, grinding, or boring.

David Hounshell contrasts the methods for making a bicycle's crank hanger:

The crank hanger is that part of a safety bicycle through which the pedal axle runs and from which the tubing radiates to the steering head, the rear wheel, and the seat. In a sense, the crank hanger is the heart of the bicycle. Manufacturers such as Pope argued that drop-forging provided critical strength. Yet a drop-forged crank hanger required a tremendous amount of machining – mostly boring or drilling – to hollow out the holes of the axle, axle bearing, and tubes. About 80 percent of the metal from the solid forging was removed by cutting operations. The Western technique started with sheet steel. Through a series of punching and pressing operations, carried out in power presses, with periodic annealing (softening of the steel) in between, the crank hanger was formed. The process usually entailed brazing or electric resistance welding where the ends of the sheets met.[8]

Stamping and pressing eventually won out over forging – mainly because stamped parts were lighter, cheaper, and durable enough for most commercial uses. And when the bicycle boom ended, stamping and pressing techniques were widely used in the auto industry to mass-produce parts such as fenders and door panels.

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Centennial Exhibition – total U. S. bicycle production topped one million. Pope Manufacturing Company alone averaged 5000 cycles per month in 1896,[11] a far cry from its first-year output of 50 cycles for all of 1878. And Pope's production facility, which once nestled in a corner of the Weed Sewing Machine Company, now occupied more than 17 acres of floor space under one roof and stretched for more than a mile along the tracks of the New York, New Haven & Hartford Railway.[12]

Yet, as big as Pope's company had become, it was no longer the undisputed industry leader. During the 1890s, a Chicago company called Western Wheel Works began using a new technology to produce bicycles more efficiently and at a lower cost. Instead of forging most of its parts, Western Wheel Works (and many of the other Chicago bicycle manufacturers) used sheet metal pressing and stamping techniques to produce everything from wheel hubs to handlebars. The parts were punched from a flat sheet of metal, rolled or pressed into shape by power presses, and brazed or electrically welded along their joints.[13]

While pressed parts were not always as strong as Pope's drop-forged components, they were strong enough for most uses. And since they didn't require as much machining and finishing, they were cheaper to produce. In fact, stamping and pressing technology worked so well that Western Wheel Works was able to produce 70,000 bikes in 1896 – 10,000 more than Pope Manufacturing Company.

CYCLING TAKES A FALL

The way things were going, bicycle manufacturers must have thought the good times would last forever. But of course nothing lasts forever.

Demand for bicycles collapsed in 1897. No one is exactly sure why. Historians cite a number of possible explanations: an oversaturated market; a fickle public; complacent manufacturers; expanded trolley and subway networks; a new infatuation with the "horseless carriage."

One thing is certain. The number of American bicycle manufacturers plummeted from 312 in 1900 to 101 in 1905.[14]

Then, during the early 1900s, the United States entered the automotive age, and bicycles were relegated to the status of children's toys. But in the span of a generation, the bicycle had triggered revolutionary changes in personal transportation, industrial productivity, and individual freedom – changes that would have far-reaching effects on the U.S. economy and standard of living.

Major Taylor: Nineteenth Century Superstar

During the late 1890s and early 1900s, fans packed Madison Square Garden and dozens of other big-name bicycle racing tracks in North America, Europe, and Australia to cheer the exploits of Marshall W. "Major" Taylor. Amid the applause and excitement, few of them could have guessed that their hero would die broke, alone, and virtually forgotten.

As the nineteenth century gave way to the twentieth, no sport was hotter than bicycle racing. Other pastimes – boxing, horse racing, baseball – drew large crowds, but bicycle racing truly embodied the spirit of the times: the fascination with speed, the belief in no-holds-barred competition, and the unbridled enthusiasm for modern technology.

Professional bicycle racers were the ultimate sports heroes of their day. Fast and fearless, they traveled the national racing circuit in pursuit of fame and fortune. Fans marveled at their skill and daring. And no rider was more celebrated than Marshall W. "Major" Taylor. This is his story.

1878 Born in rural Indiana, nothing in Marshall Taylor's family background marks him for future fame as a world champion cyclist. His father is a Civil War veteran who fought for the Union as a member of an all-black regiment and then returned to buy a small farm outside Indianapolis, Indiana.

Years later, when Taylor writes his autobiography, the opening sentence will read: "A freak of fate started me on what was destined to be my racing career."

1886 "Fate" steps in when Marshall Taylor is eight and his father is working as a coachman for a wealthy Indianapolis

family named Southard:

Occasionally my father would take me to work with him when the horses needed exercising, and in time I became acquainted with the rich young son Daniel, who was just my age.

We soon became the best of friends, so much so in fact, that I was eventually employed as his playmate and companion. My clothing was furnished and we were kept dressed just alike all the time.[15]

The two boys live under the same roof, study with the same tutor, share the same toys, and play with the same friends:

The rest of Dan's playmates were of wealthy families . . .and I was not in the neighborhood long before I learned to ride a bicycle just as they did. All the boys owned bicycles excepting myself, but Dan saw to it that I had one too.[16]

1892 Marshall's fortunes take another turn when the Southards move to Chicago, and he drops "from the happy life of a 'millionaire kid' to that of a common errand boy." His one consolation is that he gets to keep the bicycle they had given him.

Since there is no one left for him to ride with, he works on developing his skills as a trick rider, and that is when "fate" steps in again:

I went to the bicycle store owned by Hay & Willits in Indianapolis, to get a minor repair made on my machine. After the repair had been made, I made a fancy mount on my bicycle in the middle of the store and immediately drew the attention of Mr. Hay. . . . He ordered the store cleared to a certain extent and I did a number of my homemade tricks for him and his guests of the occasion that made them fairly gasp.[17]

Hay offers him a job on the spot – $6.00 a week and a $35.00 bicycle in exchange for keeping the shop clean, running errands, and most important of all, drumming up business with a daily exhibition of trick riding. The job will have two lasting impacts on Taylor's life: (1) the ornate military uniform he wears during his afternoon riding exhibitions will earn him the nickname "Major," and (2) he notches his first cycling victory in a ten-mile road race sponsored by Hay & Willits.

1893 Taylor moves to a new job at Hearsey's bicycle shop, a favorite gathering place for most of the top bike racers in Indianapolis. One of them, Louis "Birdie" Munger, will become his mentor and have a profound impact on his future. (Years later the dedication to Taylor's autobiography will read: "To my true friend and advisor, Louis D. 'Birdie' Munger.")

Major Taylor

In 1893, when their paths first cross, Munger's racing career has peaked, and he is involved in a venture to build bicycles of his own design. Impressed with Taylor's character and quick intelligence, Munger offers him a job as housekeeper and factory helper. But since Munger is also a good judge of talent, he soon recognizes Taylor's

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Major Taylor, Colonel Pope, and the General Commotion over Bicycles

racing potential and tells a friend, "I am going to make a champion out of that boy some day." The friend – Arthur Augustus Zimmerman, America's most renowned bicycle racer – does not disagree.

1894 Taylor begins to attract local attention as an amateur racer, but his rising celebrity has a downside. The more races he wins, the more of an issue his color becomes. Local whites are vexed that a black teenager is outperforming established white competitors, and there is mounting displeasure – even in "Birdie" Munger's own bicycle manufacturing firm – over the fact that Munger, a white man, is taking such an active role in advancing Taylor's career.

1895 "Birdie" Munger moves to Worcester, Massachusetts, where he opens a bicycle factory. Major Taylor accompanies him. Years later, Taylor will write, "I was inadvertently the cause of Mr. Munger's severing relations with the firm and his decision to establish a bicycle factory in Worcester, Massachusetts." But in all likelihood Munger's decision to relocate from Indianapolis to Worcester was influenced more by economics. The Northeast was at the center of the bicycle boom, and places like New York, Hartford, Boston, Springfield, and Worcester offered bicycle entrepreneurs an ideal blend of conditions – advanced manufacturing technology, skilled labor, and proximity to markets where the demand for well-built bicycles was strong.

Taylor's connection to the central Massachusetts manufacturing city will become the source of yet another nickname: "The Worcester Whirlwind."

Major Taylor

1896 Major Taylor adds to his reputation as a top amateur racer, winning victories in road races and sprints throughout the Northeast. In August, he returns to Indianapolis for a meet sponsored by one of the city's most prestigious cycling clubs, and in a memorable sprint he shatters the one-mile record recently set by Walter Sanger, a white pro rider. The crowd cheers his performance, but the city's white establishment is less than thrilled to see a black amateur rider perform so well against white professionals.

In December, Taylor turns pro at New York's Madison Square Garden, where he wins $200 in a half-mile sprint (and immediately wires the prize money to his mother). He is still only 18 years old.

1897 Taylor continues to win professional races, dominating the one-mile sprint events. But as he will later note, "I was not able to make a fight for the championship [in 1897] because the [racing] circuit extended into the South and my entry had been refused by all southern promoters. They claimed it would be folly for me to compete with white riders in that section of the country."[18]

1898 With 21 first-place finishes and seven world records to his credit, Maj-or Taylor is in line to win his first national championship, but racial prejudice and the politics of professional bicycling throw the title into dispute.

1899 Taylor travels to Montreal where he wins the World Championship in the one-mile sprint. The victory makes him the second African-American to win

continued on page 15

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"That Dreadful Monster Prejudice"

Major Taylor possessed extraordinary athletic ability, an unsurpassed work ethic, and the heart of a champion. Had he been born in 1978 instead of 1878, he would have been on a par with Tiger Woods or Michael Jordan (you remember Michael Jordan).

Sadly, the prime of Taylor's career coincided with a period in U. S. history when racial prejudice was going from bad to worse. The post-Civil War gains made by African-Americans had begun to erode during the mid 1870s, and in 1896, the same year Taylor turned pro, the United States Supreme Court handed down a ruling that would serve as the legal underpinning for continued racial segregation. (The Court's decision in *Plessy* v. *Ferguson* held that "separate but equal" accommodations and facilities did not violate the U. S. Constitution.) And for the next 50 to 60 years, a combination of law and custom denied African-Americans the right to participate fully in most aspects of mainstream American life, including pro sports.

Racism forced Major Taylor to pay a higher price for what he accomplished – a surcharge over and above the physical and emotional toll that sports exact from anyone who aspires to be the best. The real wonder is that Taylor was able to maintain his focus in the face of often hostile treatment – like the time another rider choked him into unconsciousness or the time a spectator doused him with a bucket of ice water as he was racing towards a first-place finish. And then there were the daily indignities of being excluded from hotels and restaurants while on tour.

Today, of course, there's so much money at stake that sports promoters and pro athletes wouldn't be foolish enough to let bigotry stand in the way of a big payday. Prejudice now carries too high a price – at least at the top levels of the pro sports market. (Which is something to keep in mind the next time someone starts grumbling about how "big money" is ruining sports.)

But for anyone who might still be feeling nostalgic, here are a few excerpts from Major Taylor's autobiography. His words might serve as a reminder that the "good old days" were not always as good as we'd sometimes like to think.

On encountering racial prejudice after returning from an Australian tour with his wife, baby daughter, and Australian racing champion Don Walker:

Upon our arrival in San Francisco we decided to rest up for a few days before starting the long trip to my home town [Worcester, MA]. However, we encountered a new epidemic of Colorphobia which made me completely revamp my plans and leave California at the earliest possible moment....

We made the rounds of the city, [San Francisco] only to be refused shelter and in many cases to be actually insulted. After having been refused service in one of the largest cafes in the city we drove vainly for hours to the different restaurants, and it was late in the afternoon before we could get any lunch. Walker was still game, however, ("as only bicycle riders can be,") and positively refused to eat unless we could all dine together.[19]

On the added strain of coping with prejudice:

Little did [my friends] realize the great physical strain I labored under while I was competing in these sixteen years of trying campaigns. Nor did they seem to realize the great mental strain that beset me in those races, and the utter exhaustion which I felt on the many occasions after I had battled under bitter odds against the monster prejudice, both on and off the track.[20]

A letter sent to Major Taylor during a training visit to Savannah, Georgia:

Mister Taylor,
If you do not leave here before forty-eight hours you will be sorry. We mean business. Clear out if you value your life.
Signed,
White Riders. [21]

On getting an even break:

Judging by the manner in which colored athletes have repeatedly demonstrated their skill and prowess in the athletic world, it is quite obvious what might well be accomplished on a whole as a race in other pursuits of life if granted a square deal and a fair deal. We ask no special favor or advantage over other groups in the great game of life; we only ask for an even break.[22]

Final note: In 1894, the League of American Wheelmen held its national meeting in Louisville, Kentucky, and voted to exclude African-Americans from membership. The League, which Colonel Albert Pope had helped establish in 1880 to promote cycling, was also the governing body for bicycle racing during the 1890s.

More than a century later, in 1999, the renamed League of American Bicyclists returned to Louisville and formally adopted a resolution to rescind its 1894 ban. The driving force behind the action was League president Earl Jones, an African-American and Louisville resident.

BLACK vs. WHITE, the advertising pin, is from the personal collection of John J. Schuller.

Automobile Calendar for 1906

By
EDWARD PENFIELD

Published by
Moffat, Yard & Co.
NEW YORK

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a world championship. (Boxer George Dixon became the first when he won the bantamweight world title in 1891.)

1900 After a stellar season of racing, Taylor becomes the undisputed – and undeniable – sprint champion of America. He is not yet 22.

1901 During a triumphal European tour, Taylor competes against many of the world's greatest riders – the champions of Belgium, Denmark, England, France, Germany, Italy, and Switzerland. His incredible performances make him an international celebrity.

1903 Taylor sails to Australia, where fans give him a warm and enthusiastic reception. During the extended tour, he competes against Australia's champion racers and earns substantial prize money.

1904 After a second Australian tour, Taylor returns to his home in Worcester. Traveling, training, racing, and years of coping with racism have taken their toll. Exhausted, he tells a reporter, "I don't know whether I'll ever race again."

1907 An attempted comeback falls short. Taylor enjoys modest success but never really regains his old form.

1910 A few months shy of his thirty-second birthday, Taylor retires from competitive bicycle racing. During the next 20 years, he will fail in business, battle illness, lose his house, and become estranged from his wife and daughter. The only real bright spot is the publication of his autobiography in 1928.

1932 Broke and alone, Major Taylor dies in the charity ward of a Chicago hospital at age 53. For the next 16 years, his body will lie in an unmarked grave in Mount Glenwood Cemetery outside Chicago.

1948 Taylor's remains are moved to Mount Glenwood Cemetery's garden section and his gravesite is marked with a bronze plaque. Money to pay for the reburial and plaque comes from Frank Schwinn, owner of Schwinn Bicycle Company. He makes the donation at the request of former pro racers, who had launched a campaign to honor Major Taylor's life and accomplishments.

1998 Nearly 100 years after Major Taylor won the one-mile world bicycle racing championship, the Major Taylor Association launches a drive to commemorate the longtime Worcester, Massachusetts resident with a statue outside the Worcester Public Library. In March 2000, the group commissions sculptor Toby Mendez to create the monument. (You can view the design online at http://www.majortaylorassociation.org.)

Women on Wheels

The bicycle craze may not have lasted long, but it had a profound impact on traditional notions of feminine behavior:

Doubt as to the propriety of bicycle riding has passed away, for fashion has set its stamp of approval on the practice and supplied conspicuous examples of it which have released the feminine mind from fear of conventionality by mounting a bicycle. (Scientific American, July 20, 1895*)*

The restrictive corsets and long skirts that had encumbered women for most of the nineteenth century gave way to more practical attire. A "female medical practitioner" told the *Journal of the American Medical Association* in 1896:

I frequently shop in my bicycle costume, and, while much staring and often audible comment greet me, yet I think if the costume were universally adopted it would soon cease to be noticeable. As to its merits there can be no doubt, and no woman who has experienced the freedom and comfort of the short, light skirt will willingly return to the long, heavily lined skirt which fashion now prescribes.

The bicycle craze has done more for the emancipation of women than anything else in the world.

Susan B. Anthony, 1896

Perhaps even more important, bicycles helped to make women more of a factor in the rapidly expanding market for consumer goods. A quick glance at bicy-

Illustration:
During the early 1900s the United States entered the automotive age, and bicycles were relegated to the staus of children's toys.
Library of Congress, Prints and Photographs Division

cle ads in newspapers and magazines from the mid 1890s shows that marketers and manufacturers were beginning to appreciate the growing economic clout of women consumers. "There is no good reason why a woman as well as a man should not have a bicycle of the highest efficiency – no good reason why a woman should not have a Columbia Chainless," declared a Pope Manufacturing Company advertisement in the November 6, 1897 issue of *Scientific American*.

And under the front page headline "MORE BIKES THAN EVER – SUPPLY OF WOMEN'S WHEELS FAR BEHIND DEMAND" the *Worcester Telegram* (October 14, 1895) quoted a bicycle sales representative who believed the "great impetus to the trade was caused by women taking up cycling." He estimated that women had purchased one-fourth of the bicycles sold in the U. S. during 1895.

All these factors combined to give women a new sense of freedom – freedom to travel independently (without the need of a male driver or the added financial expense of keeping horses), freedom to participate in activities that were once closed to them, and freedom to express thoughts they might once have kept to themselves.

In its front page coverage of the Telegram Trophy Race, the *Worcester Sunday Telegram* (May 9, 1896) reported:

The lady bicycle riders were up to a thing or two in the racing line, and it is suggested that many of them have the genuine sporting element in their blood. It was edifying to hear them talk of wind and staying power, and sprockets and ball-bearings, wheels and things like that, until you would think all some of them needed to be bicycles themselves would be a set of handlebars.

And in *A Social History of the Bicycle*, Robert A. Smith quotes Ann Strong, a woman whose comments to the *Minneapolis Tribune* (August 17, 1895) left little doubt as to how big an impact the bicycle was having:

I can't see but that a wheel [bicycle] is just as good company as most husbands. . . . I'd rather imagine a sympathetic response in a bright and shining handlebar than know it doesn't exist in a frowning man, who yawns or starts when I ask him a question. ...

Another great superiority of the bicycle lies in the fact that you can always get rid of them when you wish. You can roll it in and stand it up in a corner, and there it stays. It will neither follow you around or insist on receiving attention at inconvenient moments. When it gets shabby or old, you can dispose of it and get you a new one without shocking the entire community.[23]

Life would never be the same.

One hundred years after Susan B. Anthony's famous pronouncement, mountain biker Missy Giove – a.k.a. "The Missile" – was on her way to winning the women's World Cup Downhill Championship. An Associated Press article describes how Giove earns her living:

Her specialty, the downhill, is like the Tour de France hosted on the moon. Downhillers storm out of the summit gates like demented skiers, peddle furiously on adrenalin-fueled machines at teeth-shattering speeds approaching 60 mph, and then catapult through gravity with their rears in the air.

Misjudge an angle and they somersault over the bike's aluminum frame and tumble down a dusty, rocky gorge like a rag doll tossed from a speeding car.[24]

The article goes on to note that Giove has broken dozens of bones, "including four compound fractures of her pelvis, a broken hip and a smashed collarbone." And that was only as of 1996.

But she loves what she does, and she rakes in well over half a million dollars a year in prizes and endorsements.

No way she could have done all that in a corset and long skirt.

ROAD TEST

Your Chance to Show What You Know

1. Any major economic or technological change will have a positive impact on some people and a negative impact on others. The bicycle boom created thousands of new jobs for mechanics, assemblers, and sales people. But at the same time it threatened the livelihood of blacksmiths, livery stable owners, and _____.

A. saloonkeepers
B. piano sellers
C. barbers
D. all of the above

2. In the mid 1890s, Major Taylor moved to the northern industrial city of Worcester, Massachusetts. Twenty years later, hundreds of thousands of African-Americans began leaving the rural south for cities in the north and the west. This extraordinary demographic shift would later be known as:

A. Reconstruction
B. The Emancipation Proclamation
C. The Great Divide
D. The Great Migration

3. Technical advances in _____ led to the invention of the safety bicycle.

A. alchemy
B. metallurgy
C. carpentry
D. quantum physics

4. Colonel Albert Pope managed to thwart competitors by _____.

A. spreading nasty rumors about them
B. cutting his prices to the point where he was able to drive them out of business
C. lobbying for a protective tariff
D. buying up a number of important patents

5. Which of the following bicycle innovations carried over into automobile production?

A. ball bearings
B. inflatable tires
C. sheet metal stamping
D. all of the above

6. Colonel Pope was determined to build his bicycle using _____.

A. low-cost foreign labor
B. sheet metal stamping technology
C. machine-made interchangeable parts
D. individually forged parts

7. Which of the following factors helps to explain why so many bicycle manufacturers set up shop in New England's Connecticut River Valley?

A. The national armory in Springfield, Massachusetts had pioneered and perfected techniques for using interchangeable parts.
B. Labor was cheaper in places like Worcester, Massachusetts and Hartford, Connecticut.
C. There were fewer hills so cycling was easier.
D. The mild climate made for good year-round cycling

8. Labor-saving machinery, standardized parts, and efficient organization made it possible for Colonel Pope and other nineteenth century manufacturers to increase their output and _____ that almost always resulted in lower prices and a wider selection of products for consumers.

A. reap windfall profits
B. achieve savings or "economies of scale"
C. play a zero-sum game
D. none of the above

9. Major Taylor was a superstar during the late 1890s and early 1900s, yet hardly anyone remembers him today. Babe Ruth was a superstar during the 1920s and early 1930s – also a long time ago – yet he's still something of a legend. Why was Taylor virtually forgotten, while Ruth is still very much remembered?

A. Taylor was black, and Ruth was white.
B. Taylor was a superstar in a sport that lost much of its popularity, while Ruth was a superstar in a sport that became known as America's "National Pastime."
C. Ruth spent much of his career in New York, which was the media capital of the United States. Taylor spent much of his career on the racing circuit in smaller American cities, Europe, and Australia.
D. All of the above

10. Before they proved to the world that humans could fly, the Wright Brothers worked as bicycle mechanics. Which other famous American inventor/industrialist got his start as a bike mechanic?

A) Thomas Edison
B) Isaac Singer
C) Cyrus McCormick
D) Henry Ford

(answers on page 24)

Worth a Thousand Words

Color Wars

Between 1890 and 1896, the number of American bicycle manufacturers soared from fewer than 30 to more than 300. With so many bikes to choose from, how could a consumer possibly decide which one to buy? And how could a company distinguish its bikes from dozens of others that were essentially the same?

The answer to both questions was "advertising." Companies launched ad campaigns featuring color posters that were no less of a technological marvel than the bicycles they advertised.

Up until the Industrial Revolution, color illustrations were a rarity, painstakingly created by artists using methods that dated back to the Middle Ages. High-volume color printing only became a reality after power-driven presses, new printing techniques, and lower-cost paper gave printers the capability to produce quality color work at a price customers could afford.

The posters on these pages are a testament to the powerful impact color printing had on advertising. They were the forerunners of today's glitzy 30-second commercial spots. As you look at them, notice the total absence of hard, factual information. These posters were not making a rational, intellectual appeal. They were going straight for the gut. Their goal was to engage a customer's emotions and create a sense that one bike really was different from another.

Worth a Thousand Words is a regular feature that uses archival photos and prints to focus on economic history. The images in this issue are courtesy of the Library of Congress, Prints and Photographs Division.

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Major Taylor, Colonel Pope, and the General Commotion over Bicycles

Resources

Books

The Fastest Bicycle Rider in the World
by Marshall W. Taylor
Abridged reprint
The Stephen Greene Press,
Brattleboro, Vermont, 1972
Not an easy book to find, but it's worth the effort. Taylor speaks directly to you – no ghost writer, no literary mask.

From the American System to Mass Production 1800–1932
by David A. Hounshell
Johns Hopkins University Press, 1984
A scholarly work with a bonus: Hounshell knows how to tell a story.

Major Taylor: The Extraordinary Career of a Champion Bicycle Racer
by Andrew Ritchie
Bicycle Books, Inc., 1988
Not only is this book well-documented – Andrew Ritchie spent ten years on the research – it also packs a punch.

A Social History of the Bicycle
by Robert A. Smith
American Heritage Press, 1972
Lots of fascinating background information on the bicycle boom.

Web Sites

Even if Major Taylor had been able to hand-pick two people to preserve his legacy, he could not have found anyone better than Lynne Tolman (The Major Taylor Association) and John J. Schuller (The Major Taylor Society).

The Major Taylor Association
www.majortaylorassociation.org

The Major Taylor Society
www.majortaylor.com

Credits

The Major Taylor chronology was compiled from several sources:

- The writings of Lynne Tolman, featured on the Major Taylor Association web site, www.majortaylorassociation.org
- John J. Schuller's Web site, The Major Taylor Society, www.majortaylor.com
- *Major Taylor: The Extraordinary Career of a Champion Bicycle Racer*, by Andrew Ritchie, published by Bicycle Books, Inc., 1988
- *The Fastest Bicycle Rider in the World*, by Marshall W. Taylor, 1928

Endnotes

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[2] Norcliffe, Glen. "Popeism and Fordism: Examining the Roots of Mass Production," *Regional Studies*, Vol. 31.3, April 1997.
[3] Hounshell, David A. *From the American System to Mass Production 1800-1932*, p. 194.
[4] Norcliffe.
[5] Hounshell, p. 200.
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[7] www.pedalinghistory.com
[8] Hounshell, p. 210.
[9] Hounshell, p. 201, and Norcliffe.
[10] Allen, Henry. "The Bicycle, Sculpture to Go," *Washington Post*, July 14, 2000.
[11] Hounshell, p. 205.
[12] www.columbiamfginc.com
[13] Hounshell. p. 210.
[14] Allen, Henry. "The Bicycle, Sculpture to Go," *Washington Post*, July 14, 2000.
[15] Taylor, Marshall W. "Major." *The Fastest Bicycle Rider in the World*, p. 1.
[16] Taylor, p. 1.
[17] Taylor, p. 2.
[18] Taylor, p. 20.
[19] Taylor, p. 198.
[20] Taylor, p. 206.
[21] Taylor, p. 23.
[22] Taylor, p. X.
[23] Smith, p. 81.
[24] Kennedy, Mark. "She's fast! She's crazy! She's a mountain-bike goddess." The Associated Press, September 26, 1996.

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SKIING in New England: An Industry Profile

Michael Stewart
Economic Education Specialist
Federal Reserve Bank of Boston

Getting ready to go skiing definitely takes a purposive effort. You have to find the long johns, put on the ski pants, zip up the parka, don mittens, hat, scarf, and goggles, and force your feet into those clunky ski boots. Then, if you can still move, you are ready to hit the slopes.

Every winter, droves of people – individuals and families alike – flock to Maine, New Hampshire, and Vermont to take part in this Nordic phenomenon. Skiing in northern New England is a $1.5-billion-a-year industry. This impressive figure includes the cost of lift tickets, lodging, food, and skier-related retail sales. If you were to add up all the people that work for ski areas, restaurants, hotels, and retail establishments, you would find that over the course of a typical season the ski industry pro-

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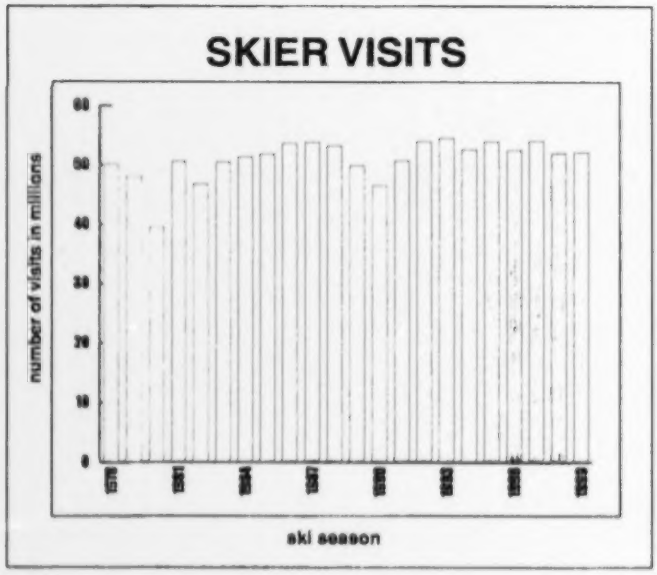
vides the regional economy with over 38,000 jobs.

And if you have been a skier for many years, you probably know that the cost of having winter fun is a lot higher than it used to be. Just look at the price of lift tickets. In 1978, an adult could purchase an all-day weekend lift ticket for about $14. Today, the same lift ticket costs about $49. That's an increase of 350 percent! If the cost had increased at the same rate as the consumer price index, the ticket would be around $29 in 2001 dollars. So, even after adjusting for inflation, lift ticket prices have climbed 169 percent since 1978.

What is behind this huge hike in prices? Are ski areas gouging a price-insensitive public? Not really. Rather, ski areas are delivering a different, much-improved product today. Massive snowmaking operations and extensive slope grooming have vastly improved ski conditions and significantly extended the ski season. But all the improvements come at a price. Some of the grooming machines cost upwards of $180,000, and they last only two or three years. New high-capacity lifts can carry many more people to the summit in half the time of older, slower models, but they cost almost twice as much.

Is it all worth the higher prices? Skiers seem to think so. Millions of them are still streaking down the slopes every season, and most of them are smiling all the way.



The following organizations providing information for this article:

- National Ski Areas Association
- Ski Maine
- Ski New Hampshire
- University of Vermont, Department of Community & Applied Economics
- Vermont Tourism Data Center
- Waterville Valley Ski Area

Things to Think About

- In the United States as a whole, there were 2 million more skier visits in 1999 than there were in 1978. That's an average annual visitor increase of 0.18 percent per year for this 22-year period.

The law of supply and demand holds that if prices go up, demand tends to go down. Yet over the past 20 years the cost of going skiing has gone up and the number of people has remained the same. Why do you think skiers have been willing to pay the higher lift ticket prices? Do you think there is a simple economic explanation for this?

- According to the North American Ski Areas Association, what U.S. state is home to the most ski areas?

Answer: New York

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Peanuts & Crackerjacks

It's a Hit!

Peanuts & Crackerjacks, the Federal Reserve Bank of Boston's new educational unit on the economics of pro sports, is fun, easy to use, and free. Just log onto the Boston Fed's web site at www.bos.frb.org and click on **Peanuts & Crackerjacks**.

Three main pieces cover all the bases:

1. The Game – Set in Boston's historic Fenway Park, The Game is an interactive baseball simulation that gives you a chance to show what you know about economics and sports trivia.
2. The Sports Page – With nine solid innings of economics content, The Sports Page has the scoop on everything from supply-and-demand to salary caps.
3. The Teachers Guide – The online Teachers Guide contains more than 50 activities and discussion exercises geared to a variety of learning styles.

All three pieces are organized around a nine inning format so you can either go through all nine innings in sequence or choose only the innings that best fit your interests. And although **Peanuts & Crackerjacks** was originally designed for students in grades 8 to 12, much of the material can be easily adapted for use in grades 5, 6, and 7.

Not a sports fan? No problem. Sports are the hook, but **Peanuts & Crackerjacks** is really about using economics to gain a better understanding of everyday life.

And don't get the idea that **Peanuts & Crackerjacks** is just for kids. The "economics of sports" theme and the vintage photos will appeal to fans of all ages, and The Game's Fenway Park backdrop will be a big hit with everyone – even diehard Yankees fans.

So, step up to the plate and give **Peanuts & Crackerjacks** a try. Whether you're a student or a crusty veteran of many seasons in the adult world, you won't be disappointed.

Go to www.bos.frb.org and click on **Peanuts & Crackerjacks**.

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Nasdaq Teaching Awards: Why Not Apply?

A teaching awards program sponsored by the National Council on Economic Education (NCEE) recognizes and rewards outstanding teachers of high school economics. Backed by a grant from the Nasdaq Educational Foundation, the program recognizes deserving teachers for their originality, creativity, and effectiveness in furthering students' awareness in six areas:

- the financial markets,
- the capital formation process,
- principles of investing,
- personal finance,
- entrepreneurship, and
- the operation of market economies.

The grand national winner receives $25,000, five regional winners each receive $10,000, and 20 regional semi-finalists each receive $1,000.

More than 200 teachers from 41 states and a wide variety of schools and locations competed in the 2000 awards program. Each submission was first judged at one of five regional centers. Composed of finance and economics educators, the regional judging panels chose a winner and four semi-finalists for their region. Each entry was judged against the following criteria:

- innovation and originality,
- how well the entry engaged students,
- use of a variety of appropriate instructional techniques,
- how well the entry met and worked in harmony with the national and state standards in economics (and other subjects as applicable),
- how it fit into the classroom learning environment,
- the ease with which it could be adapted for use by other teachers,
- the effectiveness of the evaluation process, and how well results could be demonstrated.

The Nasdaq Educational Foundation is a nonprofit organization engaged in promoting innovative thinking about the role of capital formation and financial markets in a free enterprise system. Its goals are to ensure new generations of well-informed investors and to promote interest in financial careers. The Foundation is fully funded by the Nasdaq Stock Market, Inc.

More information about the awards program and an application can be found on the NCEE's web site at www.ncee.net or call 1-800-338-1192. The web site offers downloadable copies of previous winning entries. The deadline to enter the 2001 awards program is July 31, 2001.

Economic Education Councils and Centers

The National Council on Economic Education – a nonprofit partnership of leaders in education, business, and labor – has worked to foster economic education since 1949. Its teacher training affiliate, EconomicsAmerica, provides training and support to more than 120,000 teachers a year.

New England currently has five EconomicsAmerica affiliates:

- Connecticut Council on Economic Education
  William T. Alpert, Executive Director
  Phone: (203) 251-8413
  Email: alpert@uconn.edu

- Maine Council on Economic Education
  Robert J. Mitchell, President
  Phone: (207) 780-5926
  Email: econmaine@aol.com
  Website: www.economicsamerica.org/maine/index.html

- Massachusetts Council on Economic Education
  Julia Stewart, President
  Phone: (978) 314-0592
  Email: jcdlstewart@worldnet.att.net

- Rhode Island Council on Economic Education
  Jeffrey Blais, President
  Peter R. Moore, Center Director
  Phone: (401) 456-8037
  Email: jblais@ric.edu
  pmoore@ric.edu

- Vermont Council on Economic Education
  Art Woolf, President
  Phone: (802) 656-4711
  Email: vcee@uvm.edu

For a nationwide listing of state councils and centers, visit the EconomicsAmerica web site:www.economicsamerica.org.

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ROAD TEST ANSWERS

1. The correct answer is all of the above. Blacksmiths and livery stable owners were not the only ones to have their livelihood threatened by the bicycle boom. Saloonkeepers, piano sellers, barbers, even theater owners were concerned that cycling's popularity was cutting into their business by encouraging too many people to spend more time outdoors.

2. The Great Migration spanned a period that ran roughly from 1915 to 1960. Approximately 500,000 to a million African-Americans left the rural south between 1915 and 1920 alone. They were motivated by a variety of factors: An insect blight destroyed much of the cotton crop and had a crippling impact on the southern economy, widespread flooding in the Mississippi Valley (1915) caused severe economic dislocation, the racial climate was becoming increasingly hostile, and wages in northern factories had risen sharply as a result of a labor shortage during World War I.

Nearly a million more African-Americans moved north and west during the 1920s, and a wartime labor shortage attracted many more migrants during the 1940s.

3. Advances in metallurgy made it possible to manufacture chains that were strong enough to power safety bicycles.

4. Pope was able to thwart competitors by obtaining a number of important patents and vigorously enforcing his patent rights in court. Any bicycle manufacturer that used one of Pope's patents had to pay him a fee that ranged from $10 to $25 per bike.

5. The correct answer is all of the above. Ball bearings, inflatable tires, and sheet metal stamping were bicycle manufacturing innovations that carried over into automobile production. Shock absorption technology was another.

6. Colonel Pope was determined to build his bicycles with machine-made interchangeable parts.

7. The national armory in Springfield, Massachusetts had pioneered and perfected techniques for using interchangeable parts to manufacture small arms. The armory also stimulated the creation of spin-off industries and technological innovations. Bicycle makers were later drawn to the area by its concentration of sophisticated manufacturing technology and its pool of skilled labor.

8. The correct answer is achieve savings or "economies of scale." Pope's first bicycle was a hand-made prototype that cost more than $300. By the mid 1880s, he was using machine-made interchangeable parts to produce many more bicycles at a much lower average cost.

9. The correct answer is all of the above. (A) In the 1890s, when Taylor was at the peak of his career, the racial climate in the United States was going from bad to worse, and it would not begin to improve for at least another 60 years. (B) The end of Taylor's career coincided with the end of the bicycle boom and the declining popularity of cycle racing, whereas baseball's popularity continued to increase. (C) Babe Ruth spent his prime years in New York, which, during the 1920s was the undisputed media capital of the United States and home to most of the country's top sportswriters. Taylor spent much of his career on the road, in places where the media coverage was not as extensive as it was in New York. And during Taylor's prime, the mass media were not yet as big a factor as they would be by the 1920s.

10. Before he made a fortune with the Model T, Henry Ford was a bicycle mechanic.

Look for our resources issue this fall!

They're out there. Maybe you know some of them, but no one knows them all.
The Fall 2001 issue of *The Ledger* will highlight web sites and lots of other resources for teachers, students, and anyone else interested in economics.

The Ledger

Federal Reserve Bank of Boston's Economic Education Newsletter Fall 2001

All Net: Economics Resources on the Web

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The Ledger

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Economics Resources on the Web

They're out there! Maybe you know some of them, but no one knows them all.

This special issue of *The Ledger* highlights web sites for teachers, students, and anyone else interested in economics. In making our selections, we used a very broad definition of "economics." Our primary constraint was space.

Some of our choices may seem like a stretch; others are more conventional. But together they reflect our belief that economics can help people gain a better understanding of how the world works.

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Consumer Education/Financial Literacy

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Coins and Currency

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Student Competitions

revised 7/30/02

Caveat Emptor:
Consumer Education/Financial Literacy

The Jump$tart Coalition for Personal Financial Literacy
http://www.jumpstartcoalition.org

People at the Jump$tart Coalition believe personal finance management is a fundamental life skill that needs to be taught. "We want students to know the how-to's of personal finance — how to manage a household budget, how to plan for retirement, and how a mortgage works," says H. Randy Lively, a member of Jump$tart's board of directors. "We want them to know how to establish a good credit history, cover their insurance needs, and balance a checkbook. In short, we want them to be prepared for the everyday financial realities that all of us face as adults."

The Jump$tart web site has lots of links to related sites and an online clearinghouse of resources and materials. There's also an interactive "Reality Check." Students answer a few basic questions on the kind of lifestyle they want, and the Reality Check lets them know the amount of income, the type of job, and the level of education they'll need. It's fun, in the same way that going to a scary movie is fun.

The Consumer Action Web Site
http://www.pueblo.gsa.gov/crh/respref.htm

If you're having a consumer problem, or want to avoid one, this is the site to visit. The online version of *Consumer Action Handbook*, published by the Federal Consumer Information Center, has advice and consumer tips on everything from avoiding consumer and investment fraud to choosing and using credit cards wisely. The site also has a Consumer Assistance Directory with thousands of names, addresses, telephone numbers, web site listings, and e-mail addresses for corporations, consumer organizations, trade associations, and more.

For Savings Bond Investors
http://www.publicdebt.treas.gov/sav/savinvst.htm

Is this truly a consumer education/financial literacy site? Maybe not, but at some point in our lives many of us receive savings bonds as gifts. And sooner or later, we have questions about them: How much is my bond worth? What happens if I lose a bond? Do I have to pay taxes when I cash a bond? The answers to these questions and many others are on this easy-to-use site.

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Cool Cash:
Coins and Currency

The Bureau of Engraving and Printing
http://www.bep.treas.gov

You're digging in the backyard when your shovel pushes into a bundle of $20s that someone buried long ago. You reach to pick them up, but — oh no! — the ancient bills begin to decompose in your hands. Is there any way to salvage them, or are they a total loss? The answer to this question, and many others, is on the Bureau of Engraving and Printing web site — everything from replacing a piece of damaged currency to purchasing a sheet of uncut two-dollar bills.

The Facts & Trivia section is a bonanza for trivia lovers. Here's a sampling of what you can learn:

- How long would it take to spend 10 billion $1 notes at a rate of one per second?

  ANSWER: 317 years

- What is the average life of a $100 note?

  ANSWER: 9 years (the $1 note lasts an average of 18 months)

- What is the origin of the "$" sign?

  ANSWER: Check out the site and find out for yourself. It's well-designed, fun, and informative.

The United States Mint
http://www.usmint.gov

Ever wonder why some coins have grooves on the edges and others don't? The United States Mint web site will tell you almost everything you want to know about the design, production, and circulation of American coins. Collectors can learn about the 50 State Quarters Program, the Golden Dollar, American Eagle coins, proof sets, and commemoratives. There's even a kids section for novice numismatists.

Virtual Tour of the Richmond Fed Currency Museum
http://neo.rich.frb.org/research/econed/museum

The Richmond Fed Currency Museum's virtual tour begins with primitive money and ends with modern American coins and currency. Along the way, there is an opportunity to learn about barter in colonial America, early American banking, late-nineteenth-century bank panics, the creation of the Federal Reserve System, and a number of intervening events.

The San Francisco Fed American Currency Exhibit
http://www.frbsf.org/currency/index.html

The Federal Reserve Bank of San Francisco's online American Currency Exhibit offers cyber visitors two tour options:

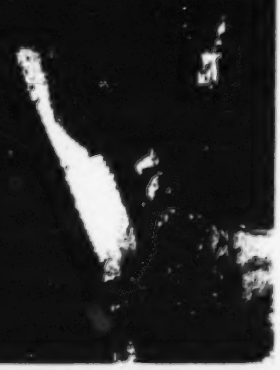
(1) the Tour Showcase of Bills highlights eye-catching images from the Bank's currency collection, and

(2) the Tour Exhibit by Era traces the evolution of American currency and creates a historical context for the various pieces of paper money.

Money - Past, Present & Future
http://www.ex.ac.uk/~RDavies/arian/money.html

A fascinating survey of monetary history, this site will appeal to researchers and generalists. Highlights include:

- How Much Did Things Cost in Roman Times?
- English Consumer Prices, 1264-1998
- Dollar-Pound Exchange Rates,1800-1997
- U.S. Inflation Calculator, 1800-1999
- Financial Scandals
- Money in Fiction from Chaucer to the Present



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By the Numbers:
Economic Data

The World Bank
http://www.worldbank.org/html/schools/

What kind of web site allows you to explore world climate change while looking up recipes for Latin American and Caribbean foods? The answer may surprise you: the World Bank. No ordinary bank, the World Bank is actually an international development organization owned by more than 180 member countries, rich and poor. Its role is to reduce poverty by providing development assistance to its poorer members — often called "developing" countries — and to countries whose economies are in transition. The loans are intended to increase economic productivity and improve the standard of living in these countries.

Research and education are important components of the World Bank's mission. Its staff members sort through a lot of data before making a loan, and much of that information has found its way onto a web site the Bank has developed for students and teachers. The site contains a variety of valuable information that can be used both in and out of the classroom.

The site is easy to use. The data sets range from international trade to water and sanitation. Because there is so much information on such a wide variety of topics, you have the option to explore the data yourself or use one of a variety of tools that format the data into usable chunks. In fact, there is an entire set of learning modules that focus on sustainable economic development. The site also provides a global forum that allows high schools from around the world to interact with each other and discuss issues like technology in the classroom. This is a great resource for students working on social studies projects and for social studies teachers seeking a global perspective.

Bureau of Labor Statistics
http://www.bls.gov

Have you ever wondered what it would be like to work in television or how much money a stockbroker makes? The answers to these questions along with average hourly earnings information, the employment cost index, the current U.S. unemployment rate, and much more can be found at http://www.bls.gov. Highlights include: Economy at a Glance; How Much People Earn; and an online edition of the *Monthly Labor Review*, which features scholarly, but readable, articles on economics, business trends, and labor-management relations.

White House Economics Statistics Briefing Room
http://www.whitehouse.gov/fsbr/esbr.html

The Economics Statistics Briefing Room is furnished with lots of quality economic data. The Executive Branch has taken some of the legwork out of economic research by giving users access to statistics on employment, income, world trade, money, output, prices, production, and transportation — all in one place and in a format that's easy to use.

Bureau of the Census
http://www.census.gov

Have you ever moved to a new place and wondered if there would be any kids your age? How does your new town or state compare to your old one — is it bigger, smaller, or maybe exactly the same? Maybe you never thought of the Census as a useful classroom tool, but it contains a lot of practical information that can help you answer questions like these. Visit www.census.gov to discover where you fit in. (The "For Teachers" section has free downloads of teaching and reference materials.)

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Back in the Day:
Economic History

Library of Congress/American Memory Collection
http://memory.loc.gov/ammem/amhome.html

Don't miss this site! At first glance it might seem to be more about history than economics, but the more you look at it the more economics you see:

•America from the Great Depression to World War II features some of the most compelling photographs ever made. Faces of 1930s America look at us from across the years and tell the story of ordinary people trying to cope with economic hard times. • http://memory.loc.gov/ammem/fsahtml/fahome.html

•The Panoramic Map Collection takes you on an aerial tour of Victorian-era cities and towns with a fascinating bird's eye perspective on urban and industrial develop-

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ment in post-Civil War America. The level of detail in some of the maps is exquisite, and with the aid of modern technology (the Mr. Sid online viewing tool) you can even zoom in on a particular street. **http://memory.loc.gov/ammem/pmhtml/panhome.html**

• The Emergence of Advertising in America brings together "over 9,000 images that illustrate the rise of consumer culture" and the growth of advertising. There is also a link to the Hartman Center for Sales, Advertising & Marketing at Duke University, which houses all the original images. **http://memory.loc.gov/ammem/award98/ncdhtml/eaahome.html**

State and Local Historical Societies and Archives

Some of the best economic history resources are right in your own backyard. State and local historical societies have extensive archives that document the economic evolution of our communities. And now the Internet gives us the capability to check out the resources in everyone else's backyard, too. Here are two good examples of what's out there:

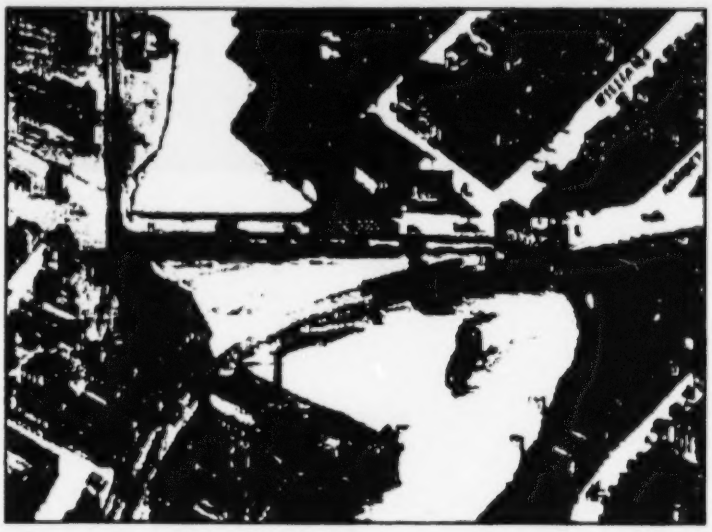
1. Connecticut History Online
http://www.cthistoryonline.org

Connecticut History Online is a collaborative effort of the Connecticut Historical Society, the Thomas J. Dodd Research Center at the University of Connecticut, and Mystic Seaport Museum. The site's database has more than 5,800 images that chronicle Connecticut life from the beginning of the nineteenth century to the middle of the twentieth. And the site's links provide a virtual treasure map for researchers. The Dodd Center, for example, features a guide to the records of more than 35 Connecticut businesses, including companies that produced clocks, cutlery, hats, machine tools, organ pipes, textiles, toiletries, tobacco, and bathroom fixtures.

LEFT
Migrant Mother
California, 1936
Dorothea Lange, photographer
Library of Congress USZ62-95653

1

2



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Bridgeport, Connecticut. 1875
Library of Congress
Panoramic Map Collection

2. Art of the Draw
http://www.shsw.wisc.edu/artofthedraw/index.html

Art of the Draw is definitely worth a look. The State Historical Society of Wisconsin has put together an online exhibit of 50 advertising posters from its McCormick-International Harvester Collection. The posters, which date from 1849 to the 1980s are not only gorgeous to look at, but they also "provide physical evidence of the intentions, perspective, values, and tastes of the people who made and used them."

Making of America
http://www.hti.umich.edu/m/moa.new/
http://moa.cit.cornell.edu/moa/

Making of America, a collaborative effort between the University of Michigan and Cornell University, is a must for anyone doing research on nineteenth century American life. The online digital library offers free electronic access to more than 9,000 volumes of nineteenth century primary sources (nearly 2.5 million pages, plus an additional 277,000 pages of online journal holdings). Each work was selected for the collection based on its capacity to demonstrate "what it was like to be an American at that time." Two examples of what you'll find:

• *Twenty-One Years in the Boston Stock Market, or Fluctuation Therein from January 1, 1835, to January 1, 1856* by Joseph G. Martin, Commission Stock Broker — a brief but informative look at the workings of nineteenth-century American financial industry.

• *Incidents in the Life of a Slave Girl* by Harriet (Brent) Jacobs — a compelling memoir that contains a number of economic insights.

Women, Enterprise and Society
http://www.library.hbs.edu/hc/wes/

Economic history used to be all about guys — robber barons and captains of industry. Women were active participants in the marketplace, but hardly anyone was telling their story. Women, Enterprise, and Society goes a long way toward setting the record straight by identifying business records, letters, diaries, and illustrated materials that "attest to historic female entrepreneurship, and offer a window on the lives of working women." Eventually, the site's creators — the "Women in Business Project" at Harvard Business School's Baker Library — hope to put most of their archived material online, and they are organizing a physical exhibit to run at the Baker Library from January through May 2002.

EH.Net - Economic History Services
http://www.eh.net

EH.Net was created in 1993 to assist economists, historians, and other social scientists through the use of electronic communication and information technology. The project currently operates servers in economic history and the history of economics. It also provides free electronic discussion lists to highlight resources and promote communication among scholars and students in business history, economic history, and related areas. Another useful feature — How Much is That? — allows users to calculate the relative purchasing power of the U. S. dollar and the British pound from the seventeenth century to the present and to look at inflation rates for the United States and Great Britain during the same period. Also worth looking at is the book review section, which provides readers with the latest on what's current and an archive of past works. The reviews are scholarly but quite readable.

Massachusetts Studies Project: Industrial History
http://k12s.phast.umass.edu/~masag/Industrial_history.html

Any web site that can figure out a credible way to connect "industrial history" and "Lizzie Borden" deserves a look. The Massachusetts Studies Project developed this site as a way to help teachers and students tackle the Commonwealth's curriculum frameworks for social studies and economics. But you don't have to be from Massachusetts to benefit from the material, nor do you even need to be a student. There's lots of interesting stuff here, including:

• a teachers guide;

• an industrial history bibliography; and

• a link to *Lizzie Borden and Fall River*, a University of Massachusetts industrial history course adapted for use in grades 7 to 12.

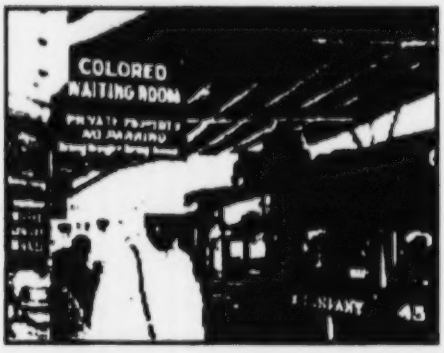
Particularly useful are the online primary source links included in the industrial history bibliography. Be sure to check out the Kids Info. Link on immigration and the Industrial Revolution:
www.kidinfo.com/American_History/Industrial_Revolution.html

Museum of American Financial History
http://www.financialhistory.org

Two very good reasons for visiting this web site:

1. The online edition of *Financial History*, the Museum's membership magazine, carries an interesting mix of articles — everything from a history of the American Bank Note Company to the financing of early baseball teams.

2. You can view online highlights of the Museum's exhibits — the history of financial journalism, the Erie Canal, financing the Civil War, the artistry of African currency, J.P. Morgan, John D. Rockefeller, and more.



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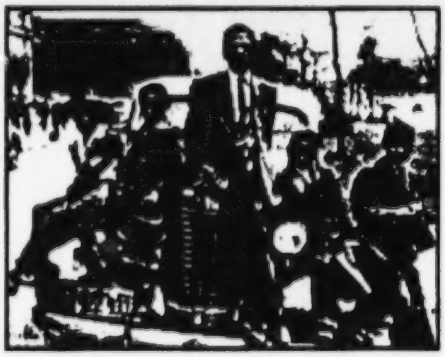

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1 **At the Bus Station**
Durham, North Carolina. 1940
Jack Delano, photographer
LC-USF33-20522-M2

2 **Roadside Stand**
Birmingham, Alabama. 1936
Walker Evans, photographer
LC-USF342-8253-A

3 **Boys on Easter Morning**
Chicago, Illinois. 1944
Russell Lee, photographer
LC-USF34-38825-D

4 **Floyd Burroughs**
Hale County, Alabama. 1935 or 1936
Walker Evans, photographer
LC-USF342-8138-A

5 **Mr. and Mrs. Andrew Lyman**
Windsor Locks, Connecticut. 1940
Jack Delano, photographer
LC-USF-41573-D

Images from the Library of Congress,
Farm Security Administration - Office of War Information Collection.
http://memory.loc.gov/ammem/fsowhome.html

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Spanning the Fed:
Federal Reserve Resources

Fed 101
http://www.federalreserveeducation.org

There was a time when learning about the Federal Reserve was a lot like eating your vegetables — something you did because you thought it was good for you. But times have changed. A new educational web site, Fed 101, makes learning about the Fed easier and, yes, more appealing. (Vegetables are enjoying new popularity, too, but we can't take credit for that.)

Fed 101 covers five main topic areas: history, structure, monetary policy, banking supervision, and financial services. Here are some of the highlights:

- **Check Mystery** looks at where your checks go after you sign them.
- **Go Back in Time** covers the evolution of U. S. central banking.
- **Where's the Money?** focuses on how the Fed conducts monetary policy.
- **Examiner for a Day** gives you an opportunity to examine a virtual bank.
- **Fed Clue** is a chance to test your knowledge of the Federal Reserve System.
- **Fed President Interviews** is just what it sounds like, interviews with the presidents of the 12 Reserve Banks.

Other Federal Reserve Resources

The 12 Federal Reserve Banks and the Board of Governors offer a wealth of economic education materials on the web. Many of the resources were listed in the Fall 1997 issue of *The Ledger*, but a few new ones have come online since then, and some of the Bank URLs have changed. Here's an update.

Federal Reserve Bank of Atlanta
http://www.frbatlanta.org

- **Dollars and Cents: Fundamental Facts about U.S. Money.** An old favorite is now online. (Atlanta Fed homepage > Publications> Books and Brochures)

Federal Reserve Bank of Boston
http://www.bos.frb.org

- **Peanuts & Crackerjacks**, an educational unit on the economics of pro sports, is designed for students in grades 8 to 12. (Much of the material is easily adapted for use in grades 5, 6, and 7.) Three main pieces cover all the bases: (1) an interactive baseball simulation that gives you a chance to show what you know about economics and sports trivia; (2) *The Sports Page*, which has the scoop on everything from supply and demand to salary caps; and (3) an online teachers guide with more than 50 activities and discussion exercises. (Boston Fed homepage > Education Resources > On-line Learning)

Federal Reserve Bank of Dallas
http://www.dallasfed.org

- **Building Wealth: A Beginner's Guide to Securing Your Financial Future** helps individuals and families develop a plan for building personal wealth. Available online in PDF, it presents an overview of personal wealth-building strategies that includes setting financial goals, seeking guid-

ance, budgeting, saving and investing, and managing debt. There is also an interactive version and a Wealth-Building Resource Guide. (Dallas Fed homepage > click on Building Wealth icon)

• **Annual Report Archive.** Annual reports are coffee table documents. More often than not, we leaf through the pictures without ever reading a word of the prose. But the Dallas Fed's annual report is an exception. You might not always agree with the point of view, but the essays are well written and thought-provoking. (And, yes, the graphics are attractive.) The theme for 2000 was "Have a Nice Day! The American Journey to Better Working Conditions." The online archive goes back to 1992. (Dallas Fed homepage > Publications > Annual Reports)

Federal Reserve Bank of New York
http://www.ny.frb.org

• **Public Information Catalog.** The New York Fed has created a comprehensive guide and online ordering facility for all publications and materials available from the Federal Reserve System. Most items are free of charge, and many are available online in PDF files to view or download. (New York Fed homepage > Publications)

Federal Reserve Bank of St. Louis
http://www.stls.frb.org

• **In Plain English: Making Sense of the Federal Reserve** delivers exactly what it promises. It is easy to read, the graphics are fun, and when you're finished you'll be able to explain the Federal Reserve to someone else — in plain English. (St. Louis Fed homepage > Publications)

Federal Reserve Bank of San Francisco
http://www.frbsf.org

• **Ask Dr. Econ.** Ever wonder how the Federal Reserve affects interest rates or what economists mean when they talk about things like natural unemployment? Dr. Econ has the answers. Each month, a San Francisco Fed economist answers a new question. There's an archive of past answers, and an online form lets you submit a question of your own. (San Francisco Fed homepage > Educational Resources > Ask Dr. Econ)

Board of Governors of the Federal Reserve System
http://www.federalreserve.gov

Federal Reserve Bank of Chicago
http://www.chicagofed.org

Federal Reserve Bank of Cleveland
http://www.clev.frb.org

Federal Reserve Bank of Kansas City
http://www.kc.frb.org

Federal Reserve Bank of Minneapolis
http://www.minneapolisfed.org

Federal Reserve Bank of Philadelphia
http://www.phil.frb.org

Federal Reserve Bank of Richmond
http://www.rich.frb.org

Economic Education Newsletters

Four Federal Reserve Banks publish economic education newsletters geared primarily to teachers and librarians. If you're reading this, you already know about one of them. Here, in alphabetical order, are the other three:

Equilibria
Subscriptions
Public Affairs Department
Federal Reserve Bank of Richmond
P.O. Box 27622
Richmond, VA 23261
Phone: (804) 697-8109
E-mail: Equilibria@rich.frb.org

Inside the Vault
Federal Reserve Bank of St. Louis
P.O. Box 442
St. Louis, MO 63166
Phone: (314) 444-8421

On Reserve
Public Information Center
Federal Reserve Bank of Chicago
P.O. Box 834
Chicago, IL 60690
Phone: (312) 322-5111

All the newsletters are free, and if you're are not on their mailing lists, you ought to be.

N CLEVELAND NEW YORK MINNEAPOLIS ST LOUIS PHILADELPHIA
RICHMOND DALLAS CHICAGO SAN FRANCISCO WASHINGTON, DC

News Flash:
Media Sites

The First Measured Century surveys the extraordinary changes that took place in American life between 1900 and 2000.

PBS Online
http://www.pbs.org

If you still think public television is all nature shows and British imports, you ought to visit PBS Online. Go to the "Explore by Subject" pull-down menu on the PBS home page, click on "Business & Finance," and you'll be ready to explore more than three dozen public television programs that are rich in economic content. And many are supplemented by a teachers guide or resources listing. Two highlights: "The First Measured Century" and "A Biography of America."

The First Measured Century
http://www.pbs.org/fmc

The twentieth century was the first to produce an extensive statistical record, and The First Measured Century uses that record to survey the extraordinary changes that took place in American life between 1900 and 2000. A television program, companion book, and web site tell "the story of America by the numbers through the eyes of those who did the measuring and interpreting." All three provide informative, attractive charts that map statistical trends and social changes in fifteen categories: population, work, education, family, living arrangements, religion, active leisure, health, money, politics, government, crime, transportation, business, and communications. The web site also features an online teachers guide. And for those with time and patience, there's a bonus: a free download of the book.

A Biography of America
http://www.learner.org/biographyofamerica/

A Biography of America is a 26-part video series and telecourse designed to "pique students' interest and encourage them to think criti-

continued on page 16

The Big Picture:
Overviews and Lesson Plans

EconSources
http://www.EconSources.com

Professor Gary Clayton developed EconSources as "a portal to the best economic information on the web." In the process, he succeeded in creating a site that embodies all the "old-time" Internet virtues. EconSources is informative, easy to navigate, and noncommercial. (Clayton maintains the site out of his own pocket and has steadfastly resisted the temptation to accept advertising.)

EconSources may not be the glitziest site on the web, but it's among of the most useful. Its home page directs you to 13 main categories: economic indicators, global economic data, federal agencies, and much more. The links under each category then take you to a specific piece of information or resource — average hourly earnings, gross domestic product, the Central Intelligence Agency's World Factbook — or to the home page of a particular organization — the U.S. Department of Commerce, the Federal Reserve, the Bank of Italy. It's a very useful site. Don't miss it!

National Council on Economic Education
http://www.ncee.net/

The National Council on Economic Education — a nonprofit partnership of leaders in education, business, and labor — has been working since 1949 to foster economic education. Its teacher-training affiliate, EconomicsAmerica, provides training and support to more than 120,000 teachers a year through a nationwide network of university-based education centers and state councils. And its web site is an essential resource for anyone interested in economic education. There is an online archive of economics lessons on everything from basic concepts such as productivity to the economics of hosting the Winter Olympics. Many of the state economic education councils also do some pretty interesting things on their own web sites. For example, the Georgia Council on Economic Education helped develop The Georgia Economic History Project, which is specific to Georgia but can serve as model for others who want to explore the economic history of their own states. (Georgia Economic History Project, http://www.gcee.org/projects/history.htm)

EcEdWeb: Resources for Teachers K-12
http://ecedweb.unomaha.edu/

EcEdWeb's stated mission is "to provide support for economic education in all forms and at all levels." And it succeeds. Its links to economics resources for K-12 teachers may be among the most extensive on the Internet. Other highlights include a listing of economics resources for university and college teaching and a guide to using the Internet to teach economics.

AmosWEB
http://www.amosweb.com

If AmosWEB is any indication, Orley M. Amos, Jr., isn't one to take himself too seriously. The Oklahoma State University economics professor has created a site that's effective, engaging, and, well. . . fun.

Highlights include:

- Ask Mr. ECONOMY, which Amos describes as "the economic equivalent of a dysfunctional Dear Abby;"
- Gloss*arama, a database of 700 economic concepts and terms; and
- Testing System, which gives users an opportunity to test their skill with multiple-choice quizzes on 36 different topics.

Junior Achievement
http://www.ja.org

Junior Achievement began in 1919 as a collection of small after-school business clubs in Springfield, Massachusetts. Today more than 150,000 JA volunteers work with approximately 4 million students nationwide "to ensure that every child in America has a fundamental understanding of the free enterprise system." Junior Achievement's web site carries a summary of all the JA programs for students in grades K-12.

continued on page 16

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Extracurriculars:
Student Competitions

The Federal Reserve Bank of Boston is actively involved in three national competitions for students: Economics Challenge, Fed Challenge, and LifeSmarts.

Economics Challenge

http://www.bos.frb.org > Education Resources > Competitions

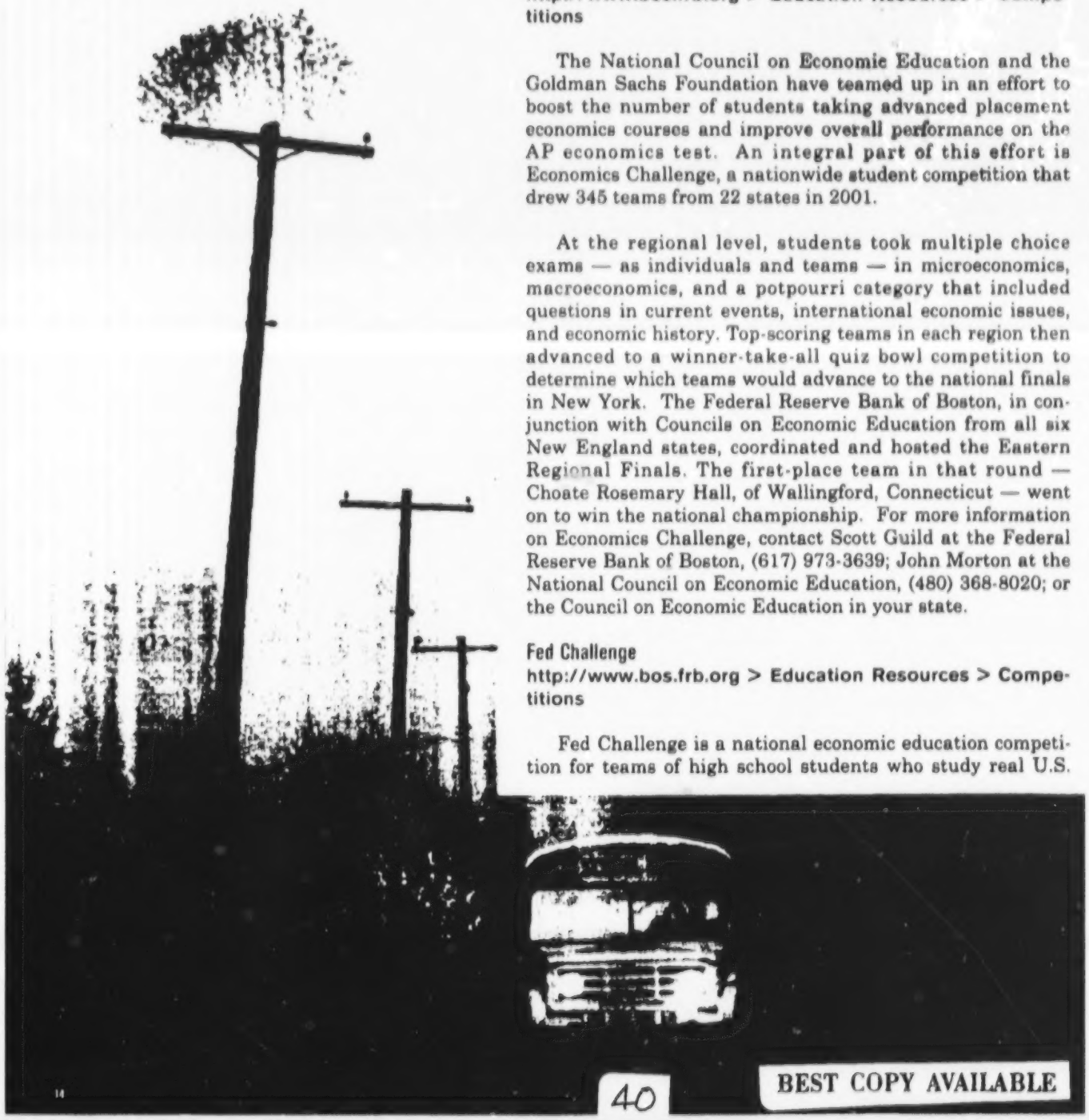
The National Council on Economic Education and the Goldman Sachs Foundation have teamed up in an effort to boost the number of students taking advanced placement economics courses and improve overall performance on the AP economics test. An integral part of this effort is Economics Challenge, a nationwide student competition that drew 345 teams from 22 states in 2001.

At the regional level, students took multiple choice exams — as individuals and teams — in microeconomics, macroeconomics, and a potpourri category that included questions in current events, international economic issues, and economic history. Top-scoring teams in each region then advanced to a winner-take-all quiz bowl competition to determine which teams would advance to the national finals in New York. The Federal Reserve Bank of Boston, in conjunction with Councils on Economic Education from all six New England states, coordinated and hosted the Eastern Regional Finals. The first-place team in that round — Choate Rosemary Hall, of Wallingford, Connecticut — went on to win the national championship. For more information on Economics Challenge, contact Scott Guild at the Federal Reserve Bank of Boston, (617) 973-3639; John Morton at the National Council on Economic Education, (480) 368-8020; or the Council on Economic Education in your state.

Fed Challenge

http://www.bos.frb.org > Education Resources > Competitions

Fed Challenge is a national economic education competition for teams of high school students who study real U.S.



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economic conditions and then present their analyses and recommendations for interest rate policy. The students' work mirrors the work of the Federal Reserve System's Open Market Committee.

In the First Federal Reserve District, Fed Challenge drew 29 teams from all six New England states. Preliminary round winners advanced to a regional competition held at the Federal Reserve Bank of Boston on April 3, 2001. The regional winner, Choate Rosemary Hall, made a fine showing at the national championship in Washington, DC. For more information on Fed Challenge, contact Scott Guild at (617) 973-3639.

Choate Rosemary Hall
First District Champions
Fed Challenge 2001

Receiving congratulations from
Boston Fed President Cathy Minehan

LifeSmarts
http://www.lifesmarts.org

LifeSmarts, a consumer education competition for teens in grades 9 to 12, is sponsored by the National Consumers League. Its stated aim is to cover "information that consumers need to know to function in today's and tomorrow's complex marketplace." Competition questions focus on five main areas of consumer knowledge:

- personal finance
- health and safety
- environment
- technology
- consumer rights and responsibilities.

In 2001, students from 20 Massachusetts schools took part in LifeSmarts. Contestants first competed online for a chance to be in the state finals at the Federal Reserve Bank of Boston on February 28. The team from Medfield High School won the Massachusetts championship and went on to compete in the regional and national LifeSmarts finals. For more information, be sure to check out LifeSmarts at www.lifesmarts.org or, in Massachusetts, contact Sharon St. Louis, Massachusetts Coordinator for LifeSmarts, at (617) 973-3262.

Medfield High School
Massachusetts Champions
LifeSmarts 2001

News Flash:
Media Sites
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cally about the forces that have shaped America." There is a charge for the videocassettes and the telecourse license, but the web site provides a full (and free) transcript for each of the 26 segments along with interactive maps, timelines, and links to primary and secondary source materials. Note: Don't be put off by the segment titles. They may not sound exciting, but the articles are exceptionally readable. And many — The Rise of Capitalism, Industrial Supremacy, Capital and Labor — are rich in economic content.

Current Conditions

Bloomberg News Service
http://www.bloomberg.com

CNNmoney
http://money.cnn.com

Bloomberg and CNNmoney deliver up-to-the-minute business and financial news complemented by a changing mix of articles on personal finance issues — managing a personal investment portfolio, planning for retirement, paying for college, buying a house, and other good stuff.

New York Times Glossary of Financial and Business Terms
http://www.nytimes.com/library/financial/glossary/bfglosa.htm

Put away your secret decoder ring. The *New York Times* online glossary has more than 2500 entries to help you decipher the business and financial news — everything from "abandonment option" to "zero-sum game." Compiled by Duke University Professor Campbell R. Harvey, the definitions are clear, concise, and conveniently cross-referenced with hotlinks.

The Wall Street Journal Classroom Edition
http://wsjclassroomedition.com/

The *Wall Street Journal* Classroom Edition web site culls articles from the newsstand edition and adapts them for classroom use. The mix includes pieces on entertainment, consumer electronics, fashion, the Internet, college admissions, and a variety of other topics geared to teen readers. There's also a special section for teachers and a featured Site of the Day. The writing is as good as you'd expect, and the graphics are eye-catching.

The Big Picture:
Overviews and Lesson Plans
continued from page 13

Foundation for Teaching Economics
http://www.fte.org

When the Foundation for Teaching Economics (FTE) began working with teachers and students in 1975, the Internet was little more than a vision. Today, it's an indispensable tool in helping FTE "to promote excellence in economic education."

The FTE Web site features online lesson plans, simulations, and a section on using the Internet to teach economics. There is also information on FTE's free summer programs for teachers and high school students. Two of the most popular programs are:

- Economics for Leaders — One-week residential programs where teachers learn how to use interactive approaches to teach economics and students are introduced to economics and leadership, and;
- Economic Forces in American History — Six-day residential, cross-curricular programs that show teachers how to integrate economics into American history courses.

Next Issue: Where would you be without your cell phone, your Internet connection, your CD player, your DVD player, and your online trading account? You'd be in the early 1980s, that's where. Our next issue looks at the economic and technological changes that have occurred since 1983. Why did we choose 1983? Read our next issue and find out.

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